

April 25, 2008

NEW YORK TIMES

Cutoffs and Pleas for Aid Rise With Heat Costs

By [ERIK ECKHOLM](#)

After struggling with soaring heating costs through the winter, millions of Americans are behind on electric and gas bills, and a record number of families could face energy shut-offs over the next two months, according to state energy officials and utilities around the country.

The escalating costs of heating oil, propane and kerosene, most commonly used in the Northeast, have posed the greatest burdens, officials say, but natural gas and electricity prices have also climbed at a time when low-end incomes are stagnant and prices have also jumped for food and gasoline.

In New Hampshire, applicants for fuel subsidies under the federal Low Income Home Energy Assistance Program received an average of \$600 in a one-time grant and up to \$975 for the extremely poor who rely on heating oil or propane, the costliest fuels. But those grants, which in recent years have covered 60 percent of heating costs, covered only about 35 percent of those costs this winter, said Celeste Lovett, director of the state's energy aid program. The state will have given aid to about 34,500 people by the end of April, Ms. Lovett said, a 5 percent increase over last year and the highest number ever.

The most immediate challenge is to help the high number of consumers who are far behind in electric and gas payments, said Mark Wolfe, director of the National Energy Assistance Directors' Association, which represents state aid officials in Washington.

"Based on discussions with major utility companies around the country, we will see record numbers of families facing shut-offs," Mr. Wolfe said.

Rhode Island officials, for example, expect shut-offs in 2008 to surpass the record of 30,000 set in 2007.

In Pennsylvania, applications for "crisis grants" for those whose oil tanks are empty or who face an imminent utilities cutoff totaled about 133,000 in each of the last two years but have already reached 166,000 this year, said Linda Blanchette, deputy secretary of income maintenance.

And in New York, the number of households that received aid increased by 5 percent in the last year, to 895,000.

Under the federal aid program, at least 5.8 million households will have received grants to help with heating bills in this fiscal year, ending Sept. 30, which is an increase of 3.7 percent from last year, according to figures to be issued Friday by the Energy Assistance Directors' Association.

This is the highest number in 16 years, Mr. Wolfe said. And the numbers would have been higher if some states had not been forced to reduce the number of aid recipients by increasing grants or tightening eligibility requirements — in effect choosing to provide more aid to fewer people.

Christopher Powden, a jewelry repairer in Goffstown, N.H., with a family of five, managed to pay his electric bills but fell behind on heating oil. “It was a long winter and the cost of oil was exorbitant, and when you add in the cost of electricity it’s impossible to keep up,” Mr. Powden said. Refilling his oil tank this winter cost nearly \$3,000, he said, but his grant from the aid program was only \$365 and he owes the oil company \$535, plus interest.

Mr. Powden needs the tank refilled this spring because the same furnace provides hot water. But the company will not make another delivery until he pays off the arrears.

The federal assistance program, known as Liheap, was started in 1980, to help families cope with sharply rising oil prices and energy deregulation, and it has become a routine part of the safety net. Unlike food stamps, which the government must automatically provide to eligible applicants, the program relies on annual Congressional appropriations that have not risen as much as the cost of energy.

Many states are calling on Congress to quickly add a \$1 billion supplement to the federal aid program, which has provided \$2.6 billion to low-income families in the current fiscal year.

Without extra aid, people who still owe large sums to oil vendors will not be able to get deliveries next fall, Ms. Lovett said, and many who did not pay electric and gas bills during New Hampshire’s winter moratorium on shut-offs may soon lose those services.

At one of the agencies that administers energy aid, Southern New Hampshire Services in Manchester, which covers Hillsborough County, there were 247 new applications for financial aid just last week and most of these were people behind on payments and facing shut-offs, said Louise Bergeron, energy director of the nonprofit agency.

One aid recipient, Rachel Trumphour, who lives with her two children in Nashua, N.H., heats with gas and electricity and started falling behind last year when she was injured and could not work. She now has a part-time job but cutoffs of energy loom. Last week, her electricity was briefly halted until the agency paid \$150 and helped her work out a payment plan of about \$190 a month.

When Ms. Trumphour received a shut-off notice from the gas company, the agency stepped forward with a \$625 grant to start paying her debt. But she must make another monthly catch-up payment, of about \$190. “I don’t know how I’m going to make these payments and also pay the rent,” Ms. Trumphour said.

Federal energy assistance, Ms. Lovett said, is “vital to the low-income population, our poorest residents including seniors on fixed incomes and the working poor.”

Under the federal program, states are given money based on average temperatures, degree of reliance on the costliest fuels and numbers of poor people. Each state sets its own rules for distributing the money. In many states, aid is provided to applicants whose households make up to 150 percent of the official poverty line, or \$30,326 for a family of four, though the highest benefits go to the poorest families.

Nearly all states bar utilities from cutting electrical and gas services during winter months. Some families, like Ms. Trumphour's, put off paying electric and gas bills, then enter the spring owing large sums to utilities, leaving them at risk.

In Michigan, "we have just come to the end of the protection period," said Donald Mussen, director of income support programs for the state. "People are getting pretty high bills this month, and I suspect there will be quite a few shut-offs in May."

For oil users in Pennsylvania, mainly in rural areas, the crisis grants had to be increased to \$500 from \$300 this year, Ms. Blanchette said, because the suppliers, facing higher gasoline prices themselves, would not make deliveries of less than \$500.

"We expect that minimum will be a lot more than \$500 next year," Ms. Blanchette said.

Taking a different tack, Maryland this year reduced the number of aid recipients, to 91,000 from 100,000, in order to provide extra money to those reliant on heating oil, giving as much as \$1,190 to the poorest. The program has a waiting list of more than 10,000 eligible families, said Ralph Marcus, the state director.

"I think that next year, unless there is a major infusion of funds for Liheap, it's going to be tougher," Mr. Marcus said.

The choice between benefit levels and number of people aided is a wrenching one, he said.

"Next year we're going to have to take a hard look at that," Mr. Marcus said. "We may need to reduce benefits because we want to help as many people as possible."